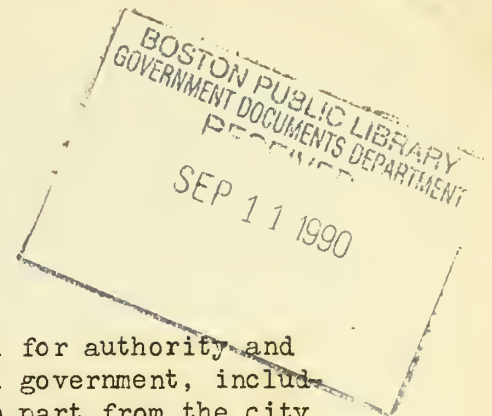


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BOSTON MUNICIPAL RESEARCH BUREAU  
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ADMINISTRATIVE SURVEY IN BOSTON

Memorandum to the Committee  
on Municipal Finance



The Boston Finance Commission has filed House No. 801 for authority and funds to conduct an administrative survey of the municipal government, including all agencies whose expenditures are met in whole or in part from the city treasury. No amount is stated in the bill, but it is understood that the Commission wants \$150,000 during the life of the survey in addition to its regular annual appropriation. The final report of the survey must be submitted not later than February 1, 1950.

The Municipal Research Bureau endorses the proposal. This memorandum gives the reasons for the Bureau's position and endeavors to answer the questions which would naturally arise in connection with such a project - questions that must be answered fully and adequately before any survey is authorized.

Purpose of an Administrative Survey

The purpose of an administrative survey would be to view the municipal government as a business operation and to discover through expert scrutiny how it can make the best and most economical use of personnel, supplies, and equipment in rendering public services. In the normal course of things the survey would have three major aspects:

- 1.) An evaluation of the overall departmental structure and organization so as to determine whether various functions are properly related, whether there is duplication of effort, and whether lines of responsibility are clearly established.
- 2.) An examination of specific municipal activities to see whether modern methods are in use and standard practices are being followed and to appraise personnel requirements in relation to volume of work.
- 3.) A consideration of general management policies to ascertain whether the city is making use of up-to-date procedures for controlling its activities.

Over recent years a great deal of study has been given municipal administration in developing improved ways of doing business and getting more for the tax dollar. The real object of a survey would be to tap this knowledge and apply it locally.

Methods of Conducting an Administrative Survey

There are a number of ways of conducting an administrative survey. Firms and individuals are available who have wide experience in surveying municipal operations and who are well grounded in the best practices of government and private business. The exact way in which a survey is conducted depends solely upon circumstances. In one case a city administration, with the help of a consultant staff, can do the job on its own responsibility. In another case it may be desirable to turn the entire survey over to an outside agency.



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Boston, in particular instances, has had experience with various methods. In 1935, for example, it engaged a consultant service to help reorganize the welfare department in a project where city officials and the consultant firm worked together. A year later the Public Buildings Department asked the Municipal Research Bureau to study the problem of managing tax-reverted properties. Mayor Maurice J. Tobin set up a survey committee as an adjunct to his own office. The Strayer survey was made by an outside consultant staff working under a contract arrangement to which the schools themselves were not a party.

#### Finance Commission Responsibility for Proposed Survey

Most people would certainly agree that a survey is best carried out by a city administration itself with such special assistance as the situation requires and with full public understanding and support. Despite repeated urgings, however, the present city administration has shown no disposition to undertake the work. It is now in its third year in office and still gives no sign of acting on its own initiative. Consequently, it appears that the Finance Commission is the proper agency for making a survey in Boston under existing conditions.

1.) The Finance Commission is an official agency and yet completely removed from the direct control of a city administration. It also possesses broad statutory powers of investigation, which means that it is well armed with authority.

2.) Having been engaged in scrutinizing municipal functions, the Finance Commission has necessarily acquired considerable background on Boston problems. Thus the accumulated experience of the Commission will be available both to assist and at the same time to guide the specialists who will be employed in various phases of the project.

3.) Finally the Commission can supply the survey with overall direction. It would be unwise to surrender all local control over the project. The survey must be properly interpreted to the people of Boston, to the press, to the city employees, and to the civic groups who are deeply concerned that the job should be done and be done right. These are grave responsibilities. Mishandling of these critical matters would only create new disappointment and destroy confidence in any systematic approach to municipal problems.

#### Necessity of an Administrative Survey in Boston

In the judgment of the Municipal Research Bureau a comprehensive administrative survey in Boston is necessary at this time for reasons which follow.

Condition of City Finances Boston has the highest adjusted tax rate of any city in its population group. It has the highest costs of government of any large city in the country. Costs of individual municipal functions are, as a rule, correspondingly out of line in Boston, with respect not only to major activities but also to routine matters and general overhead.

Ordinary operating expenses of city departments, exclusive of welfare and relief, are up 80 per cent over pre-war levels. Costs of refuse removal and sanitation, as a case in point, have almost tripled. Boston is actually paying more than twice as much as it did in 1940 for fire protection.





Evidences of weakness in the condition of city finances persist. Even amid peak employment and unparalleled prosperity, Boston is having trouble making ends meet. In 1947 it suffered exceptionally heavy revenue losses because of adjustments directly traceable to an unstable tax base. As recently as 1946 it borrowed extensively to balance its budget.

Basic to Budget and Revenue Problems Having gone to a new level of expenditures with no assurance that ability to pay has moved up proportionately, the city should survey its operations as a basis of budget planning. At present Boston regularly builds its operating budget around existing departmental organization, manpower and practices. Aside from details it does not make an effort to see what can be done to economize through procedural changes, and now the City has neither the staff nor the program to follow through with such an inquiry.

Likewise a rigorous survey of the expenditure problem is an indispensable preliminary to dealing with the issue of new revenue. There is a widespread conviction in Boston, shared by municipal officials and real estate taxpayers, that the city needs additional revenue to supplement the property tax. The revenue issue has been obscured in part because so much legitimate doubt surrounds the validity of budget expenditures.

Doubtless more and more attention will also be given to increasing state aid. Assistance for schools, public welfare, and highways is already being debated, and the City is always going to the State House with proposals to broaden such state aid. In soliciting assistance the City will be measurably stronger for having gone over its expenditures.

Sample Studies Reveal Need Where competent studies have been made, it has never failed that savings were found to be possible in municipal departments without any important effect upon the scale of services. To be specific, it is only necessary to mention the partial studies that have been made of teaching assignments in the schools, fire station locations, use of police manpower, departmental organization, refuse removal, assessing procedures, drawbridge maintenance, machine methods in the finance offices, and distribution of election precincts.

What is needed is an inquiry equal to the full scope of the problem. It would be difficult to overstate the complexity of government in a large city and the extent of the technical questions which it presents. Such survey work as has been done in Boston in no sense of the word covers the field, and more than once the survey effort has been deficient in certain respects. There are four essentials which the present Finance Commission program must fulfill: technically qualified review of municipal operations, independence in making recommendations, publicity as to findings and conclusions, and follow-up and enforcement.

Costs Threaten to Pyramid On the basis of experience there is little reason to believe that municipal activities will not continue to expand. Recent departures are veterans housing and off-street parking. Large institutional additions are being projected, as well as new municipal centers, health units, and other facilities. There is a danger, already apparent, that these items of expansion will simply be piled upon a topheavy budget and organizational structure. Boston cannot afford to keep adding personnel and agencies without stopping to consider whether it is making the best use of what it has. Otherwise it will drive itself into chaos.



## Objections to the Survey Answered

Prior Results Productive It may be argued that results of prior surveys have proved unproductive. This is not altogether a fair appraisal. The Municipal Research Bureau believes that in numerous instances even partial surveys have resulted in greater operating efficiency and savings.

Boston improved its water revenue collections as a result of survey of the problem and eliminated wholly needless deficits as a result. Study of the public welfare department produced improved business methods, better office lay-out, and desirable organizational changes. Sounder administration of tunnel tolls, introduction of centralized payroll procedures, elimination of superfluous elementary schools, enforcement of auto excises, police precinct consolidation, better enforcement of tax liens and administration of tax-reverted properties, modern police communications - these are some concrete cases of improvement which were preceded by surveys of one kind or another.

Projected Costs Reasonable Details of the Finance Commission plan have not been available, but so far as costs are concerned, it would certainly seem that the Commission would be prudent and conservative in its use of funds. A hundred and fifty thousand dollars is about one-fifth of one percent of the tax levy in Boston, and this authorization would cover nearly two years. Some fifty separate departments, spending close to \$75,000,000 annually and employing 14,000 people come within the scope of the proposed survey. The Commission wants to secure the best talent available and should be allowed some measure of discretion.

Means of Enforcement Possible No survey, of course, is self-enforcing. It is one thing to make a study and quite another to put the recommendations into actual operation. Nevertheless, there are possible means of following through with the survey provided that it is completely carried out and the findings are set forth with sufficient precision.

The Finance Commission is a continuing body and is therefore in a position to press the recommendations. Civic agencies most interested in municipal affairs will seek progress toward enforcement of the survey. Findings will receive wide publicity. Once sound standards are established, there will be a general disposition to gauge budget action and tax rate developments by the extent to which the City has adhered to such standards. The cumulative effect of a sound program is not to be underestimated.

There are also the financial pressures upon Boston. A continuation of present budget policies would sink the City. And finally there is the possibility that political or other changes will create a different point of view at City Hall.

March 1, 1948



